

**CHESAPEAKE UTILITIES CORPORATION
DELAWARE DIVISION
PSC DOCKET NO. 07-186**

DEPRECIATION RATES

Acct #	Description of Property	Test Period Balance - March 31, 2007	Depreciation Rate - Asset	Cost of Removal Rate	Total Depreciation Rate	Projected Depreciation and Retirement Expense
301	Organization Expense	\$6,732	0.00%	0.00%	0.00%	\$0
302	Franchise & Consent	410	0.00%	0.00%	0.00%	\$0
303	Miscellaneous Intangible Plant	3,000	0.00%	0.00%	0.00%	\$0
303.28	UtiliCIS (customer billing software)	1,200,000	6.67%	0.00%	6.67%	\$80,040
303.28	UtiliCIS (modifications)	46,760	13.04%	0.00%	13.04%	\$6,098
	Total Intangible Plant	<u>\$1,256,903</u>				<u>\$86,138</u>
	Production Plant					
304	Land & Land Rights	\$139,111	0.00%	0.00%	0.00%	\$0
304.1	Depreciable Land Rights	\$0	4.14%	0.00%	4.14%	\$0
305	Structures & Improvements	258,887	1.26%	0.00%	1.26%	\$3,262
311	Liquid Petro. Gas Equipment	2,977,522	3.17%	0.03%	3.20%	\$95,281
	Total Intangible Plant	<u>\$3,375,520</u>				<u>\$98,543</u>
	Distribution Plant					
376	Mains	33,931,204	1.54%	0.07%	1.61%	546,292
378	M & R Stations - General	167,231	3.77%	0.00%	3.77%	6,305
379	M & R Stations - City Gate	804,668	3.46%	0.35%	3.81%	30,658
380	Services	18,198,380	1.82%	0.26%	2.08%	378,526
381	Meters	5,135,397	2.29%	0.00%	2.29%	117,601
382	Meter Installations	3,136,851	2.14%	0.04%	2.18%	68,383
383	Regulating Equipment	1,501,270	1.77%	0.00%	1.77%	26,572
385	M & R Stations - Industrial	876,184	4.14%	0.02%	4.16%	36,449
387	Other Equipment	238,635	3.92%	0.00%	3.92%	9,354
	Total Distribution Plant	<u>\$63,989,820</u>				<u>\$1,220,141</u>
	General Plant					
390	Structures & Improvements	-	20.00%	0.00%	20.00%	-
391	Office Equipment	532,052	3.99%	0.00%	3.99%	21,229
392	Transportation Equipment	1,104,704	15.11%	-0.74%	14.37%	158,746
394	Tools & Work Equipment	292,507	2.44%	0.00%	2.44%	7,137
395	Laboratory Equipment	1,658	0.00%	0.00%	0.00%	-
396	Power Operated Equipment	583,188	7.20%	-0.58%	6.62%	38,607
397	Communication Equipment	-	3.65%	0.00%	3.65%	-
398	Miscellaneous Equipment	289,236	4.44%	0.00%	4.44%	12,842
399	Other Tangible Property	475	0.00%	0.00%	0.00%	-
	Total General Plant	<u>\$2,803,820</u>				<u>\$238,561</u>
	Total Plant in Service	<u>\$71,426,063</u>				<u>\$1,643,383</u>
	Less Depreciation on Transportation Equipment	1,104,704				158,746
	Less Depreciation on Communications Equipment charged to Dept.					-
	Depreciation Exclusive of Transportation Equipment & Communications	<u>\$70,321,359</u>				<u>\$1,484,637</u>